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Serial No. 09/523,079

13DV-13466

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of :  
Brain L. Gerhardt : 3627  
Serial No. 09/523,079 : Group Art Unit: 2467  
Filed: March 10, 2000 : Examiner: G. O'Connor  
For VIRTUAL WAREHOUSE PARTS  
DISTRIBUTION SYSTEM AND  
PROCESS

APPEAL BRIEF

Mail Stop Appeal Briefs-Patent  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

S I R:

This is an appeal from the final rejection of claims 1-3, 6-9 and 12  
of the above-identified application.

I. REAL PARTY IN INTEREST

The real party of interest in the present application is the General  
Electric Company.

II. RELATED APPEALS AND INTERFERENCES

No related appeals or interferences are known to appellant,  
appellant's legal representative, or assignee.

CERTIFICATE OF MAILING/TRANSMISSION (37 CFR 1.8 (g))	
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### III. STATUS OF THE CLAIMS

Claims 4, 5, 10 and 11 have been canceled without prejudice. Claims 1-3, 6-9 and 12 are pending in the application and stand rejected by the Examiner as stated in the Office Action made Final and dated August 26, 2002. No claim stands objected to or withdrawn from consideration. The claims on appeal are claims 1-3, 6-9 and 12 as they appear in the attached Appendix.

### IV. STATUS OF AMENDMENTS

Appellants filed (on September 9, 2002) one Request for Reconsideration subsequent to the final rejection made in the Office Action of August 26, 2002; no amendments have been filed in this application subsequent to final rejection made in the Office Action of August 26, 2002. An Advisory Action was mailed on September 12, 2002 indicating the Request for Reconsideration filed September 9, 2002 did not place the application in condition for allowance and the status of the claims would be as follows:

Claims allowed: none

Claims objected to: none

Claims rejected: claims 1-3, 6-9 and 12

Claims withdrawn from consideration: none

### V. SUMMARY OF THE INVENTION

Appellant's claimed invention relates to a parts distribution system 10 including at least one central server computer 12, a plurality of buyer computers 14 and a plurality of seller computers 16. The server computer 12, buyer computers 14 and seller computers 16 are all interconnected via a computer network 18. The server computer 12 includes a Web server 20 and a parts inventory database 22. As described beginning at line 27, page 4, the

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database 22 contains a list of all the parts that various sellers participating in the system 10 are willing to sell. The database 22 thus represents a pool of parts available for purchase through the system 10. As described on page 6, lines 5-22, the database 22 can be divided into a number of inventory categories that contain a particular type of part. As shown in Figure 2, each inventory category can be further divided into sub-inventory categories (such as "new," "repaired," "servicable" and "needs repair") based on condition.

In operation, the seller computers 16 are used to input part related data to the server computer 12. The server computer 12 uses this data to maintain a database of all available parts. The buyer computers 14 are used to transmit part requests to the server computer 12, and the server computer 12 selects one or more parts from the database in response to the requests.

#### VI. ISSUES

It is respectfully requested that the Board of Patent Appeals and Interferences rule on the issues of:

- 1) whether claims 1-3 and 6 recite an invention that is patentable under 35 U.S.C. 102(a) over U.S. Patent No. 5,895,454 to Harrington (hereinafter referred to as Harrington); and
- 2) whether claims 7-9 and 12 recite an invention that is patentable under 35 U.S.C. 103(a) over Harrington.

#### VII. GROUPING OF THE CLAIMS

With respect to the rejection of claims 1-3 and 6 under 35 U.S.C. 102(a) as being anticipated by Harrington, these claims do not stand or fall together because certain claims of this group are believed to provide a separate basis of patentability from one or more of the other claims of this group.

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With respect to the rejection of claims 7-9 and 12 under 35 U.S.C. 103(a) as being unpatentable over Harrington, these claims do not stand or fall together because certain claims of this group are believed to provide a separate basis of patentability from one or more of the other claims of this group.

#### VIII. APPELLANT'S ARGUMENTS

1) The Examiner's contention that claims 1-3 and 6 are anticipated by Harrington is respectfully traversed. To anticipate a claim, a reference must teach each and every element as set forth in the claim. E.g., *Verdegaal Bros. V. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). For the reasons discussed below, appellant submits that Harrington fails to disclose each and every element of any one of claims 1-3 and 6.

Independent claim 1 recites a network-based parts distribution system that includes a plurality of buyer computers, a plurality of seller computers, and at least one server computer. The buyer computers, seller computers and server computer are interconnected as a computer network. The server computer is programmed to receive part related data from the seller computers and use this data to maintain a database of all available parts. The server computer is also programmed to receive part requests from the buyer computers and select one or more parts from the database in response to the requests. The parts in the database are sorted into a plurality of inventory categories, and the parts in at least one of the inventory categories are further sorted into a plurality of sub-inventory categories based upon part condition.

Harrington is directed to an integrated interface for vendor/product oriented internet websites and discloses a networked computer system comprising an Internet-accessible database 10 which contains information on vendor products and services. As set forth in column 4, lines 8-23 of Harrington,

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a user may specify particular criteria that is used by a database search engine 21 to provide a list of suitable websites that match the user's product/service criteria. The database front-end 20 enables the user to connect to and interact with any of the identified websites. When the user elects to make a purchase, a transaction notification 33 is sent from the vendor's website software 24 to the database administration software 21.

In the final rejection made in the August 26, 2002 Office Action, the Examiner states that claims 1-3 and 6 are "clearly anticipated" by Harrington. While the Examiner does not expressly state which elements of Harrington are alleged to correspond to the elements of Independent claim 1, it would appear to be the Examiner's contention that the database 10 of Harrington and the "internet accessible machine" (column 4, lines 1-2) that the database 10 is said to be provided on correspond to the claimed "database of all available parts" and "server computer," respectively.

Appellant respectfully submits that the database 10 of Harrington is not a database of all available parts. Instead of identifying specific parts that are available for sale, database 10 provides information relating to remote vendor websites on which a user can find products or services offered for sale. While column 4, lines 9-12 of Harrington state that the "database 10 would contain information (represented as information originating from vendor 32) relating to vendor products, locations, website addresses, price, maps etc," it is clear, upon study of the entire reference, that the database 10 pertains to remote vendor websites and is not intended to identify specific parts that are available for sale. For instance, lines 60-65 in column 3 state that the invention of Harrington provides a means (i.e., the database 10) "by which information relating to a large number of remote vendors can be accessed so that a user can be connected to a particular or selected vendor or alternatively be presented with a selection of suitable websites which meet the particular needs or requirements of the user."

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Lines 33-36 of column 2 and claim 1 both recite that the database provides "the local user with a selection of remote vendor network sites." Column 4, lines 12-23 of Harrington state that the database search engine 21 provides a list of suitable websites in response to a user specifying particular criteria. The database front-end 20 then enables the user to connect to and interact with any of the identified websites. Accordingly, database 10 is not a collection of data that identifies specific parts that are actually available for sale. Only after connecting to one or more of the websites is a user able to find and purchase products or services that are actually available for sale. Furthermore, the user would have to connect with all of the websites to find all of the available products and services. For these reasons, Harrington does not disclose a server computer that is programmed to receive part related data and use that data to maintain a database of all available parts, as required by claim 1.

In addition, Harrington does not disclose that parts in the database 10 are sorted into a plurality of inventory categories, and the parts in at least one of the inventory categories are further sorted into a plurality of sub-inventory categories based upon part condition, as required by claim 1. In the August 26, 2002 Office Action, the Examiner argues that a recitation of the intended use of the claimed invention must result in a structural difference between the claimed invention and the prior art to patentably distinguish the claimed invention from the prior art. Although not expressly stated, the implication is that the Examiner contends that the claim language regarding the parts being sorted into categories and then sub-categories based on part condition does not result in a structural difference and thus fails to patentably distinguish the claimed invention from the prior art.

Appellant respectfully disagrees with this position. First, the claim language in question is not a mere recitation of intended use. The recitation that the parts in the database are sorted into a plurality of inventory categories, and

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the parts in at least one of the inventory categories are further sorted into a plurality of sub-inventory categories based upon part condition is not a statement of intended use but instead further limits the content of the database. This language is a recitation of how the database is constructed, not of how it is to be used. The present application is thus distinguished from the cases cited by the Examiner.

Second, appellant respectfully submits that the language in question clearly constitutes a structural limitation that distinguishes the claimed invention from the prior art. Namely, claim 1 recites "at least one server computer, ... said server computer being programmed to receive part related data from said seller computers and use said data to maintain a database of all available parts" (emphasis added). The server computer programmed in the specific manner recited is clearly a structural element as it is well established that discrete physical structures may be comprised of a combination of computer hardware and software (see MPEP § 2106). The language describing how the parts in the database are sorted provide additional limitations to this structural element and thus constitutes a structural limitation.

Appellant also submits that Harrington does not disclose a server computer programmed to select one or more parts from a database in response to buyer requests, as required by claim 1. As described above, the system of Harrington provides a list of suitable websites in response to a user specifying particular criteria. The user is then able to connect to and interact with any of the identified websites to purchase products or services. The "server computer" of Harrington does not select parts from a database in response to buyer requests; the buyers are directed to one or more websites.

For these reasons, it is respectfully submitted that Harrington does not anticipate independent claim 1 and claims 2, 3 and 6, which depend therefrom. In addition, claim 2 recites that the server computer selects parts

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according to a buyer-specific picking order. Harrington, which fails to disclose a server computer selecting parts at all, also fails to disclose a server computer selecting parts according to a buyer-specific picking order. Claim 3 recites that the server computer relays a purchase order issued by one of the buyer computers to an appropriate one of the seller computers. Harrington does not disclose a server computer relaying a purchase order from a buyer to a seller.

2) The Examiner's contention that claims 7-9 and 12 are unpatentable over Harrington is respectfully traversed.

Independent claim 7 recites a method of distributing parts including the steps of providing a plurality of buyer computers, providing a plurality of seller computers, and providing at least one server computer. Other steps include using the seller computers to input part related data to the server computer and using the data to maintain a database of all available parts. The step of maintaining the database includes sorting the parts in the database into a plurality of inventory categories, wherein the parts in at least one of the inventory categories are further sorted into a plurality of sub-inventory categories based upon part condition.

Appellant initially submits that Harrington fails to teach or suggest maintaining a database of all available parts for the reasons set forth above. Namely, the database 10 of Harrington provides information relating to remote vendor websites and does not identify specific parts that are available for sale. There is no suggestion in the prior art of record to provide the system of Harrington with a database of parts instead of the database of information relating to remote vendor websites. Such a modification would change the principle of operation of Harrington in that the system would no longer be able to provide a user with a selection of remote vendor network sites. As stated in MPEP § 2143.01 (citing *In re Ratti*, 270 F.2d 810, 123 USPQ 349 (CCPA 1959)), the teachings of the references are not sufficient to render the claims *prima facie*



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obvious if the proposed modification would change the principle of operation of the prior art invention being modified. Thus, Harrington fails to render claim 7 unpatentable.

Harrington also fails to disclose sorting the parts in a database into a plurality of inventory categories, wherein the parts in at least one of the inventory categories are further sorted into a plurality of sub-inventory categories based upon part condition. The Examiner admits that Harrington does not disclose sorting parts in an inventory category into a plurality of sub-inventory categories based upon part condition, but asserts that this would have been an obvious, well known step.

Appellant respectfully disagrees. First, Harrington does not teach sorting parts into a plurality of inventory categories. Since there are no inventory categories of parts to begin with, it would not be obvious to further sort the parts in one of the inventory categories into a plurality of sub-inventory categories based upon part condition. While lines 35-40 in column 5 of Harrington discuss that products might be divided into classifications such as electronic goods, toys, etc., there is no indication of sorting parts into inventory categories.

Second, appellant submits that it would not be obvious to further sort parts based on part condition in light of the teachings of Harrington. The Examiner contends that sorting an inventory of a particular type of part into a plurality of sub-inventory categories based on part condition is a well known, obvious method step. However, there is nothing in the prior art of record that teaches this. Only appellant's own disclosure supports the notion of sorting parts based on part condition. Despite appellant's prior request, the Examiner has not provided any documentary support for this allegation. Accordingly, it is submitted that a *prima facie* case of obviousness has not been made.

Moreover, even when assuming for the sake of argument that it is generally well known to sort parts for sale by part condition, such a teaching

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would not be applicable to Harrington. Harrington in no way suggests that the sale of products of differing condition is contemplated. Hence, there would be no reason to sort the products of Harrington by condition. Sorting parts by part condition is useful only when new and used parts are being sold, as taught by the present invention. There being no motivation to sort by condition, it would not have been obvious to modify Harrington in the manner set forth by the Examiner.

For these reasons, it is respectfully submitted that Harrington does not render independent claim 7 unpatentable, as well as claims 8, 9 and 12, which depend therefrom. In addition, claim 8 recites the step of selecting parts according to a buyer-specific picking order. Harrington does not suggest selecting parts according to a buyer-specific picking order. Claim 9 recites using the server computer to relay a purchase order issued by one of the buyer computers to an appropriate one of the seller computers. Harrington does not disclose using a server computer to relay a purchase order from a buyer to a seller.

In conclusion, appellant has shown the rejections under 35 U.S.C. 102(a) and 103(a) to be in error. Therefore, the Board of Patent Appeals and Interferences is respectfully requested to reverse of the final rejection of claims 1-3, 6-9 and 12 and to hold all the claims to be allowable.

Respectfully submitted,

5/27/03

Date

Patrick R. ScanlonPatrick R. Scanlon  
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207-791-1276

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**APPENDIX**

1. A network-based parts distribution system comprising:  
a plurality of buyer computers for operation by a system participant desiring to obtain one or more parts;  
a plurality of seller computers for operation by a system participant desiring to sell one or more parts; and  
at least one server computer, wherein said buyer computers, said seller computers and said server computer are interconnected as a computer network, said server computer being programmed to receive part related data from said seller computers and use said data to maintain a database of all available parts and to receive part requests from said buyer computers and select one or more parts from said database in response to said requests, wherein said parts in said database are sorted into a plurality of inventory categories, and wherein said parts in at least one of said inventory categories are further sorted into a plurality of sub-inventory categories based upon part condition.
2. The parts distribution system of claim 1 wherein said server computer selects parts according to a buyer-specific picking order.
3. The parts distribution system of claim 1 wherein said server computer relays a purchase order issued by one of said buyer computers to an appropriate one of said seller computers.
6. The parts distribution system of claim 1 wherein said computer network is the Internet.
7. A method of distributing parts, said method comprising the steps of:  
providing a plurality of buyer computers for operation by a system participant desiring to obtain one or more parts;

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providing a plurality of seller computers for operation by a system participant desiring to sell one or more parts;

providing at least one server computer, wherein said buyer computers, said seller computers and said server computer are interconnected as a computer network;

using said seller computers to input part related data to said server computer;

using said data to maintain a database of all available parts, said step of maintaining said database including sorting said parts in said database into a plurality of inventory categories, wherein said parts in at least one of said inventory categories are further sorted into a plurality of sub-inventory categories based upon part condition;

using said buyer computers to transmit part requests to said server computer; and

selecting one or more parts from said database in response to said requests.

8. The method of claim 7 wherein said step of selecting one or more parts from said database includes selecting parts according to a buyer-specific picking order.

9. The method of claim 7 further comprising the step of using said server computer to relay a purchase order issued by one of said buyer computers to an appropriate one of said seller computers.

12. The method of claim 7 wherein said computer network is the Internet.

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In re Application of

Brain L. Gerhardt

Serial No. 09/523,079

Filed: March 10, 2000

For VIRTUAL WAREHOUSE PARTS  
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S I R:

Appellant submits herewith in connection with the above-identified patent application an Appeal Brief (12 pages), in triplicate and a Petition for Extension of Time Under 37 CFR 1.136(a).

The appropriate fee under 37 CFR 1.17(c) is \$320.00. The Commissioner is hereby authorized to charge the appropriate fee under 37 CFR 1.17(c) and any other fees which may be required, or credit any overpayment, to Deposit Account Number 500282.

Respectfully submitted,

5/27/03

Date

Patrick R. Scanlon  
Patrick R. Scanlon  
Reg. No. 34,500  
207-791-1276

## CERTIFICATE OF MAILING/TRANSMISSION (37 CFR 1.8 (a))

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